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EXAMINER				
FELTEN, DANIEL S				
ART UNIT		PAPER NUMBER		
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/616,300

**Applicant(s)**

BACHANN, M. MINTU

**Examiner**

DANIEL S. FELTEN

**Art Unit**

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**Period for Reply** -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 03 June 2010.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-5 and 7-16 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-5 and 7-16 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SI.08)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Notice of Interval Patent Application
- 6) ☐ Other: \_\_\_\_\_
- Paper No(s)/Mail Date \_\_\_\_\_

**DETAILED ACTION**

1. The amendment filed 06/03/2010 is acknowledged. Claims 1-5 and 7-16 are pending in the application and are presented to be examined upon their merits.

***Response to Arguments***

2. Applicant's arguments filed 6/03/2010 have been fully considered but they are not persuasive.

***Claim Rejections - 35 USC § 112***

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 1-5 and 7-16 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Re claim 1: It is unclear if the limitation of "engine" refers to hardware or software because the limitation can have both connotations. Thus the consolidating, calculating and unifying steps can be based upon a series of instructions not tied to a particular structure, but merely software.

Re Claim 2: recites the limitation "its" in the claim. There is insufficient antecedent basis for this limitation in the claim.

Re Claim 2: recites the limitation "to regulations" in the claim. There is insufficient antecedent basis for this limitation in the claim

Re claim 4: The term "current" in claim 4 is a relative term which renders the claim indefinite. The term "current" is not defined by the claim, the specification does

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not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention.

5. Claims 1-5 and 7-16 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential structural cooperative relationships of elements, such omission amounting to a gap between the necessary structural connections. See MPEP § 2172.01. The omitted structural cooperative relationships are:

Re claim 1: It is not clear the structure that provides the functions of consolidating financial information, calculating financial cash-flow and unifying individual and corporate financial wealth. It is unclear what structure performs a risk assessment

Re claim 2: It is not clear the structure for determining whether a loans to one borrower threshold is met, the structure for enabling a financial institution to regulate its credit policy or the structure for enabling the financial institution to identifying demographics.

Re claim 7: It is not clear the structure for obtaining corporate financial information and structure for spreading and calculating corporate financial reports.

Re claim 8: It is unclear structure for obtaining a corporate global debt service information and generating a corporate global debt service report.

***Claim Rejections - 35 USC § 101***

6. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-5 and 7-16 are rejected under 35 USC § 101 because claimed invention is directed to non-statutory subject matter.

35 USC 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" (emphasis added).

**The method claims 1-5 and 7-16 do not fall in the process category for the following reason.**

Quoting from *In re Comiskey* (No. 06-1286, Federal Circuit)

"The Supreme Court has recognized only two instances in which such a method may qualify as a section 101 process: when the process 'either [1] was tied to a particular apparatus or [2] operated to change materials to a 'different state or thing.'" In *Diehr*, the Supreme Court confirmed that a process claim reciting an algorithm could state statutory subject matter if it: (1) is tied to a machine or (2) creates or involves a composition of matter or manufacture. 12 450 U.S. at 184. There, in the context of a process claim for curing rubber that recited an algorithm, the Court concluded that "[t]ransformation and reduction of an article 'to a different state or thing' is the clue to the patentability of a process claim that does not include particular machines."

*Id.* (quoting *Benson*, 409 U.S. at 70);<sup>13</sup> see also *In re Schrader*, 22 F.3d 290, 295 (Fed. Cir. 1994) (holding when a claim does not invoke a machine, "§ 101 requires some kind of transformation or reduction of subject matter"). Thus, a claim that involves both a mental process and one of the other categories of statutory subject matter (i.e., a machine,

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manufacture, or composition) may be patentable under § 101. However, mental processes—or processes of human thinking—standing alone are not patentable even if they have practical application.

The Supreme Court has stated that

*"phenomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work." Benson, 409 U.S. at 67 (emphasis added).*

In *Flook* the patentee argued that his claims did not seek to patent an abstract idea (an algorithm) because they were limited to a practical application of that idea—updating *"alarm limits"* for catalytic chemical conversion of hydrocarbons. 437 U.S. at 586, 589-90. The Court rejected the notion that mere recitation of a practical application of an abstract idea makes it patentable, concluding that *"[a] competent draftsman could attach some form of post-solution activity to almost any mathematical formula."*

*Id.* at 590.

Since all other features of the process were well-known, including "the use of computers for 'automatic monitoring-alarming,'" the Court construed the application as *"simply providing a new and presumably better method for calculating alarm limit values."* *Id.* at 594-95.

The 14 See *AT&T, 172 F.3d at 1355, 1358* (holding patentable *"a process that uses the Boolean principle in order to determine the value of the PIC indicator"* and that *"require[d] the use of switches and computers"*); *State Street Bank, 149 F.3d at 1373*

("[W]e hold that the transformation of data., by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm." (emphases added)); *Alappat*, 33 F.3d at 1544 ("This is not a disembodied mathematical concept which may be characterized as an 'abstract idea,' but rather a specific machine to produce a useful, concrete, and tangible result." (emphases added)); *Arrhythmia Research Tech., Inc. v. Corazonix Corp.*, 958 F.2d 1053, 1058-59 (Fed. Cir. 1992) (holding patentable a method for analyzing electrocardiograph signals for the detection of a specific heart condition that used "electronic equipment programmed to perform mathematical computation"). Court held the application unpatentable because "if a claim [as a whole] is directed essentially to a method of calculating, using a mathematical formula, even if the solution is for a specific purpose, the claimed method is nonstatutory." 437 U.S. at 595 (quoting *In re Richman*, 563 F.2d 1026, 1030 (CCPA 1977)).

Following the lead of the Supreme Court, this court and our predecessor court have refused to find processes patentable when they merely claimed a mental process standing alone and untied to another category of statutory subject matter even when a practical application was claimed. In *Schrader* we held unpatentable a "method constituting a novel way of conducting auctions" by allowing competitive bidding on a plurality of related items. 22 F.3d at 291. In doing so, we rejected the patentee's argument that the process used a machine. Two of the alleged machines-- a "display" in the front of the auction room and "a closed-circuit television system" for bidders in different cities--were not claimed by the patent, and the third--a "record" in which bids could be entered--could be "a piece of paper or a chalkboard." Id. at 293-94.

We therefore concluded that the patent impermissibly claimed unpatentable subject matter. Similarly, in *In re Warmerdam*, 33 F.3d 1354 (Fed. Cir. 1994), we held unpatentable a process for controlling objects so as to avoid collisions because the key steps of "locating a medial axis" and "creating a bubble hierarchy" described "nothing more than the manipulation of basic mathematical constructs, the paradigmatic 'abstract idea.'" Id. at 1360. A machine was not required, id. At 1358, nor was there any indication that the process operated on a manufacture or composition of matter. Decisions of our predecessor court are in accord. *In re Meyer*, 688 F.2d 789, 796 (CCPA 1982), held that "*a mental process that a neurologist should follow*" was not patentable because it was "*not limited to any otherwise statutory process, machine, manufacture, or composition of matter.*" Id. at 795. Similarly, *In re Maucorps*, 609 F.2d 481 (CCPA 1979), held that an invention "[u]ltimately... directed toward optimizing the organization of sales representatives in a business" was unpatentable. Id. at 482, 486. See also *Alappat*, 33 F.3d at 1541 ("*Maucorps dealt with a business method for deciding how salesmen should best handle respective customers and Meyer involved a 'system' for aiding a neurologist in diagnosing patients. Clearly, neither of the alleged 'inventions' in those cases falls within any § 101 category.*"). **The steps of the method are untied to another category of statutory subject matter and hence the method claims do not qualify as a process under 35 U.S.C 101.**



***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 1-5 and 7-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sweeny (US 20030065614) in view of Schnall (US 20020116323) and Halper et al the combination of references have been previously discussed in office actions dated 08/06/2008 and 03/03/2009.

As has been previously addressed, Sweeny and Schnall fails to disclose performing risk assessment based upon net profit, depreciation data, net cash flow, current debt and proposed debt.

However, it is being maintained that Sweeny and Schnall suggest the fact that one of ordinary skill in the art would recognize that in the loan and/or credit processing art, guarantors (e.g. underwriters, lenders, etc.,) are greatly concerned with *risk assessment measures* (emphasis added) in order to qualify or disqualify loans based upon lenders' criteria (see Sweeny paras 0040-0042; and Schall paras 0017-0018).

The applicant provides the notoriously old and well known risk assessment measures of net profit depreciation, net cash flow, current debt and proposed debt to determine a score of loan eligibility.

Similarly, Sweeny discloses scoring loans/lenders that are the "best-fit" for applicant's financing needs (see Sweeny para 0040). Sweeny further discloses loan Applications that meet certain criteria may be passed to a loan product identifier. The loan product identifier applies the lender's loan product parameters, *eligibility parameters* and business logic to identify loan products whose requirements are satisfied by a particular loan application.

Schnall discloses a loan processing system that receives information about a primary party and determines if the primary party qualifies to receive a loan based upon credit information and loan information (see 0017).

Similar to both Sweeny and Schnall, Halper receives information about a loan, and like Sweeny, Halper calculates various scores (fraud, underwriting, property valuation scores) into one score (risk score) which are considered risk factors that are used to determine whether or not to approve/fund a loan or an insurance claim (see Halper Abstract, paras 0022-0025).

It is being maintained that, although the applicant provides the particular risks assessment measures to determine loan eligibility, the combined references suggest that various customized measures (c.g., *eligibility parameters*) would have prompted one of ordinary skill in the art to modify Sweeny to use various lender's risk assessment criteria (such as, the conventional measures of net profit depreciation, net cash flow, current debt

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and proposed debt) to provide scores which determine what loans borrowers would qualify for. Thus it is maintained that to employ the aforementioned risk assessment measures of net profit depreciation data, net cash flow, current debt and proposed debt would be what one of ordinary skill in the art would expect; inasmuch as the particular risk assessment measurements are functional equivalent to parameters, criteria and/or other measurements conventionally known to the prior art combination of Sweeny, Schnall and Halper et al., to measure, score and/or determine the eligibility of borrowers for certain loans.

### *Conclusion*

9. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL S. FELTEN whose telephone number is (571)272-6742. The examiner can normally be reached on Flex.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kramer James can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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